

# IDAHO STATE POLICE



**January 18, 2011**

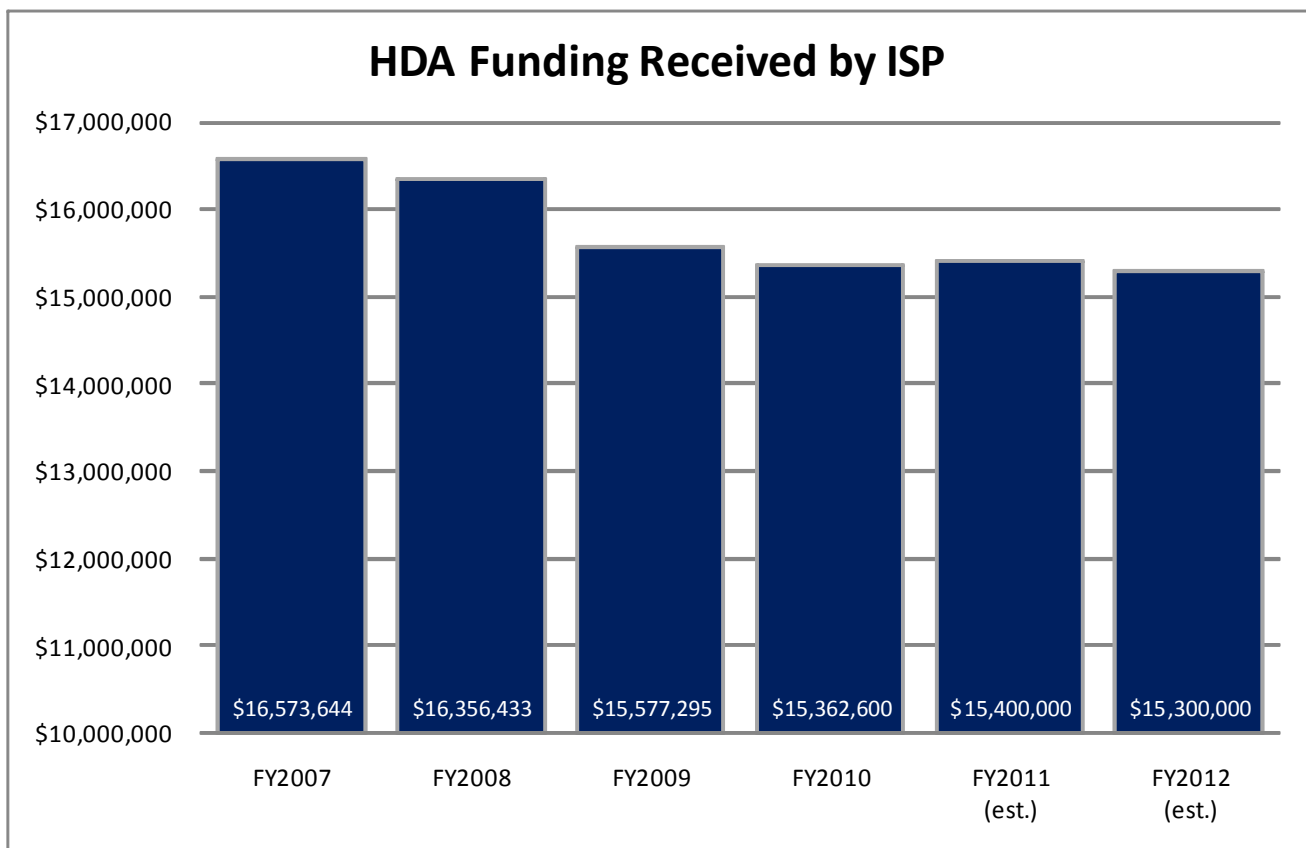
## Alternative Funding RECOMMENDATIONS Interim Committee

## HDA Account Activity

Annual funding to the Idaho State Police from the Highway Distribution Account (HDA) varies due to the nature of the revenue stream. The four year history of distributions made to the Patrol Program from the Highway Distribution Account, as well as FY 2011 and FY 2012 estimates are listed below:

Actual FY 2007	\$16,573,644
Actual FY 2008	\$16,356,433
Actual FY 2009	\$15,577,295
Actual FY 2010	\$15,362,600
Estimated FY 2011	\$15,400,000
Estimated FY 2012	\$15,300,000

The chart below demonstrates the fluctuations in funding received by ISP from the HDA account.



# Governor's Recommended Budget

The Governor's recommended budget for the Law Enforcement Fund (LE) in FY 2012 totals \$20,759,900. These figures are charted below.

## FY 2012 GOVERNOR'S RECOMMENDATION - LAW ENFORCEMENT FUND RELATED APPROPRIATION

	FTP	PC	OE	CO	Total
<b>FY 2012 TOTAL REQUEST</b>					
0001-00 General Fund	47.75	\$1,518,300	\$742,900	\$1,421,000	\$3,682,200
0264-00 Law Enforcement Fund (HDA)	202.50	\$13,536,200	\$2,386,600		\$15,922,800
0264-01 CHOICE Fund Shifts	0.00	\$1,154,900			\$1,154,900
	<b>250.25</b>	<b>\$16,209,400</b>	<b>\$3,129,500</b>	<b>\$1,421,000</b>	<b>\$20,759,900</b>

# Law Enforcement Budget Reconstruction - Full Staff

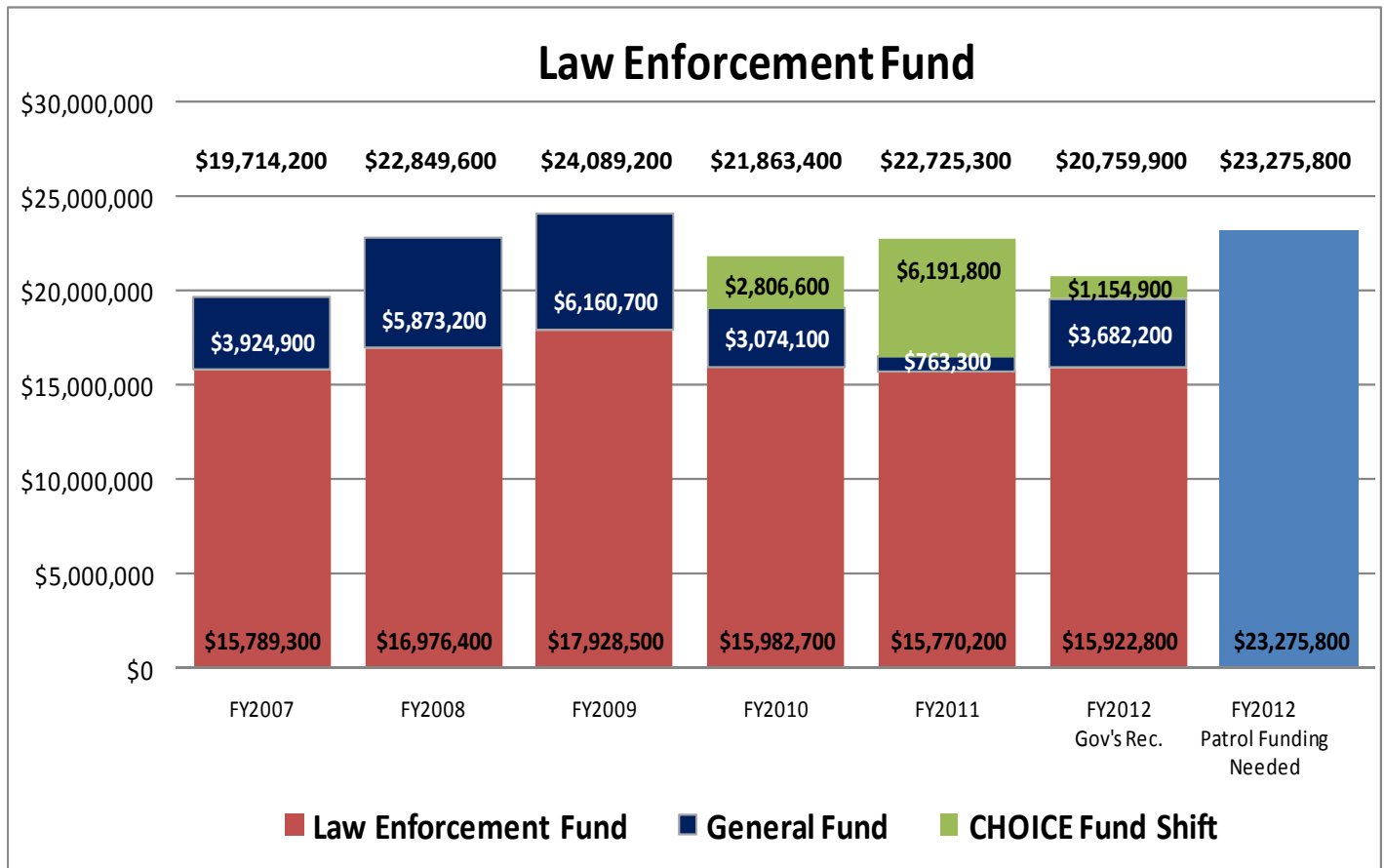
When the LE budget is reconstructed to accommodate full staffing levels the program requires a total appropriation of \$23,275,800. These funding requirements are summarized below.

## FY 2012 RECONSTRUCTED BUDGET BASED ON FULL STAFF- LAW ENFORCEMENT FUND RELATED APPROPRIATION

	FTP	PC	OE	CO	Total
<b>FY 2012 TOTAL NEED</b>	<b>250.25</b>	<b>\$17,118,700</b>	<b>\$3,279,000</b>	<b>\$2,878,100</b>	<b>\$23,275,800</b>

# Reconstruction LE Budget vs. Actual

When the reconstructed LE Fund is charted against the funding received from the HDA and other sources, a disparity becomes apparent.



# Summary of Alternative Funding Recommendations

Description		Current Fee	Current Count	Annual Proposed Fee	Estimated Revenue
1	Vehicle Insurance Surcharge	\$0.00	1,564,522	\$15.71	\$24,578,641
2	Increase Vehicle Registration Fees	Varies	1,564,522	\$15.71	\$24,578,641
3	Local & Wireless Access Line Surcharge	\$0.06	1,643,735	\$15.24	\$25,050,521
4	Increase Drivers License Fee	Varies	301,159	\$5.00	\$1,505,795
5	Increase Titling Fee	\$8.00	507,325	\$5.00	\$2,536,625
6	Increase Recreational Vehicle Registration Fee	Varies	106,844	\$3.00	\$320,532
7	Dedicated Sales Tax on Transportation Items	\$0.00	\$2,750,000,000	0.50%	\$13,750,000
8	Auto Dealer Vehicle Sales Tax (Annual Sales)	\$0.00	\$1,436,757,223	0.50%	\$7,183,786
9	Tire Fee	\$0.00	1,564,522	\$15.87	\$24,828,964
10	DUI Impound Fee (\$300-\$100 towing cost est)	\$0.00	12,327	\$300.00	\$2,465,400

1 SOURCE: Idaho Transportation Department; Economic and Research Section, 2009 Vehicle Registration by County

2 SOURCE: Idaho Transportation Department; Economic and Research Section, 2009 Vehicle Registration by County

3 SOURCE: <http://www.puc.idaho.gov/internet/cases/tele/GNR/GNRT0902/staff/20090403DECISION%20MEMO.PDF>

4 SOURCE: Idaho Transportation Department; Economic and Research Section, 2009 Drivers License, ID's Endorsements Issued

5 SOURCE: Idaho Transportation Department; Economic and Research Section, 2009 Title Transactions and Issues

6 SOURCE: Idaho Transportation Department; Economic and Research Section, 2009 Recreational Vehicle Registration

7 SOURCE: Idaho Transportation Department; Summary Report on Transportation Innovative Financing and Revenue Options

8 SOURCE: Idaho Transportation Department; Economic and Research Section, 2009 Dealer Sales Volume Dollar Amount

9 SOURCE: Idaho Transportation Department; Economic and Research Section, 2009 Vehicle Registration by County

(Tire replacement rate from: Idaho Transportation Department; Summary Report on Transportation Innovative Financing and Revenue Options (1 tire per year)

10 SOURCE: <http://dvm.utah.gov/impounddui.html>: (\$100 est - towing company)

<http://www.isp.idaho.gov/BCI/CrimeInIdaho2009/2009%20Crime%20In%20Idaho%20Publication.pdf>

# Final Alternative Funding Recommendations

A revenue target of \$25,000,000 is desired so adequate reserves can be established and the fund source can be self sustaining even during periods of a depressed economy. Page E-6 shows a matrix of funding options, one funding source or a combination of several funding sources can be chosen to create the desired revenue.

Many alternative funding options have been evaluated over the past year. Throughout these discussions, three alternative funding options have come to the forefront of the discussion:

1. Vehicle Registration Fee Increase
2. Insurance Surcharge
3. Telephone Surcharge



Whichever funding option is chosen, it should be one that not only has the capacity to grow over time, but also meets the funding needs of the ISP Patrol Program when at full staff.

## Vehicle Registration Fee

1,564,522 vehicles were registered in Idaho in 2009. A \$15.71 increase to the vehicle registration fee for motorized vehicles and trailers would create an additional revenue of nearly \$25,000,000.

## Insurance Surcharge

The state of Idaho issued 1,564,522 vehicle registrations in 2009. A \$1.31 flat monthly fee, or \$7.86 every six months, added to vehicle insurance would generate approximately \$25,000,000 annually. This fee would be static, based on the number of vehicles covered in the policy rather than the total policy or coverage value.

## Telephone Surcharge

In 2009 the state of Idaho had 1,643,735 in-service telephone lines. An additional monthly surcharge of \$1.27 applied to all eligible\* end user business, residential and wireless access services would generate more than \$25,000,000. While the wireless industry is largely unregulated, the mechanism to implement this surcharge is already in place. \*This excludes low-income recipients of the Idaho Telephone Service Assistance Program (ITSAP).

# Scale of Funding Options

The chart below demonstrates the funding capabilities of each of the three user fees discussed on the previous page. The revenue in the left column of each chart corresponds to the fee schedule listed in the right column. For example, an increase in vehicle registration fees of \$6.28 per vehicle/trailer would generate an estimated \$10,000,000 in revenue. A single user fee or a combination of the user fees can be used to create the funding stream needed.

Estimated Revenue Generated	Vehicle Registration Fee	Estimated Revenue Generated	Insurance Surcharge (Per Vehicle Monthly Fee)	Estimated Revenue Generated	Telephone Surcharge (Monthly Fee)
\$1,000,000	\$0.63	\$1,000,000	\$0.05	\$1,000,000	\$0.05
\$2,000,000	\$1.26	\$2,000,000	\$0.10	\$2,000,000	\$0.10
\$3,000,000	\$1.88	\$3,000,000	\$0.16	\$3,000,000	\$0.15
\$4,000,000	\$2.51	\$4,000,000	\$0.21	\$4,000,000	\$0.20
\$5,000,000	\$3.14	\$5,000,000	\$0.26	\$5,000,000	\$0.25
\$6,000,000	\$3.77	\$6,000,000	\$0.31	\$6,000,000	\$0.30
\$7,000,000	\$4.40	\$7,000,000	\$0.37	\$7,000,000	\$0.35
\$8,000,000	\$5.03	\$8,000,000	\$0.42	\$8,000,000	\$0.41
\$9,000,000	\$5.65	\$9,000,000	\$0.47	\$9,000,000	\$0.46
\$10,000,000	\$6.28	\$10,000,000	\$0.52	\$10,000,000	\$0.51
\$11,000,000	\$6.91	\$11,000,000	\$0.58	\$11,000,000	\$0.56
\$12,000,000	\$7.54	\$12,000,000	\$0.63	\$12,000,000	\$0.61
\$13,000,000	\$8.17	\$13,000,000	\$0.68	\$13,000,000	\$0.66
\$14,000,000	\$8.80	\$14,000,000	\$0.73	\$14,000,000	\$0.71
\$15,000,000	\$9.42	\$15,000,000	\$0.79	\$15,000,000	\$0.76
\$16,000,000	\$10.05	\$16,000,000	\$0.84	\$16,000,000	\$0.81
\$17,000,000	\$10.68	\$17,000,000	\$0.89	\$17,000,000	\$0.86
\$18,000,000	\$11.31	\$18,000,000	\$0.94	\$18,000,000	\$0.91
\$19,000,000	\$11.94	\$19,000,000	\$0.99	\$19,000,000	\$0.96
\$20,000,000	\$12.56	\$20,000,000	\$1.05	\$20,000,000	\$1.01
\$21,000,000	\$13.19	\$21,000,000	\$1.10	\$21,000,000	\$1.06
\$22,000,000	\$13.82	\$22,000,000	\$1.15	\$22,000,000	\$1.12
\$23,000,000	\$14.45	\$23,000,000	\$1.20	\$23,000,000	\$1.17
\$24,000,000	\$15.08	\$24,000,000	\$1.26	\$24,000,000	\$1.22
\$25,000,000	\$15.71	\$25,000,000	\$1.31	\$25,000,000	\$1.27
\$26,000,000	\$16.33	\$26,000,000	\$1.36	\$26,000,000	\$1.32
\$27,000,000	\$16.96	\$27,000,000	\$1.41	\$27,000,000	\$1.37
\$28,000,000	\$17.59	\$28,000,000	\$1.47	\$28,000,000	\$1.42
\$29,000,000	\$18.22	\$29,000,000	\$1.52	\$29,000,000	\$1.47
\$30,000,000	\$18.85	\$30,000,000	\$1.57	\$30,000,000	\$1.52
\$40,000,000	\$25.13	\$40,000,000	\$2.09	\$40,000,000	\$2.03
\$50,000,000	\$31.41	\$50,000,000	\$2.62	\$50,000,000	\$2.53
\$60,000,000	\$37.69	\$60,000,000	\$3.14	\$60,000,000	\$3.04
\$70,000,000	\$43.98	\$70,000,000	\$3.66	\$70,000,000	\$3.55
\$80,000,000	\$50.26	\$80,000,000	\$4.19	\$80,000,000	\$4.06
\$90,000,000	\$56.54	\$90,000,000	\$4.71	\$90,000,000	\$4.56
\$100,000,000	\$62.82	\$100,000,000	\$5.24	\$100,000,000	\$5.07

# **VEHICLE REGISTRATION FEE**



# Vehicle Registration by State Summary

30 states base vehicle registration fees on a flat fee.

15 states and the District of Colombia base vehicle registration fees on vehicle weight.

4 states including Idaho base vehicle registration fees on vehicle age.

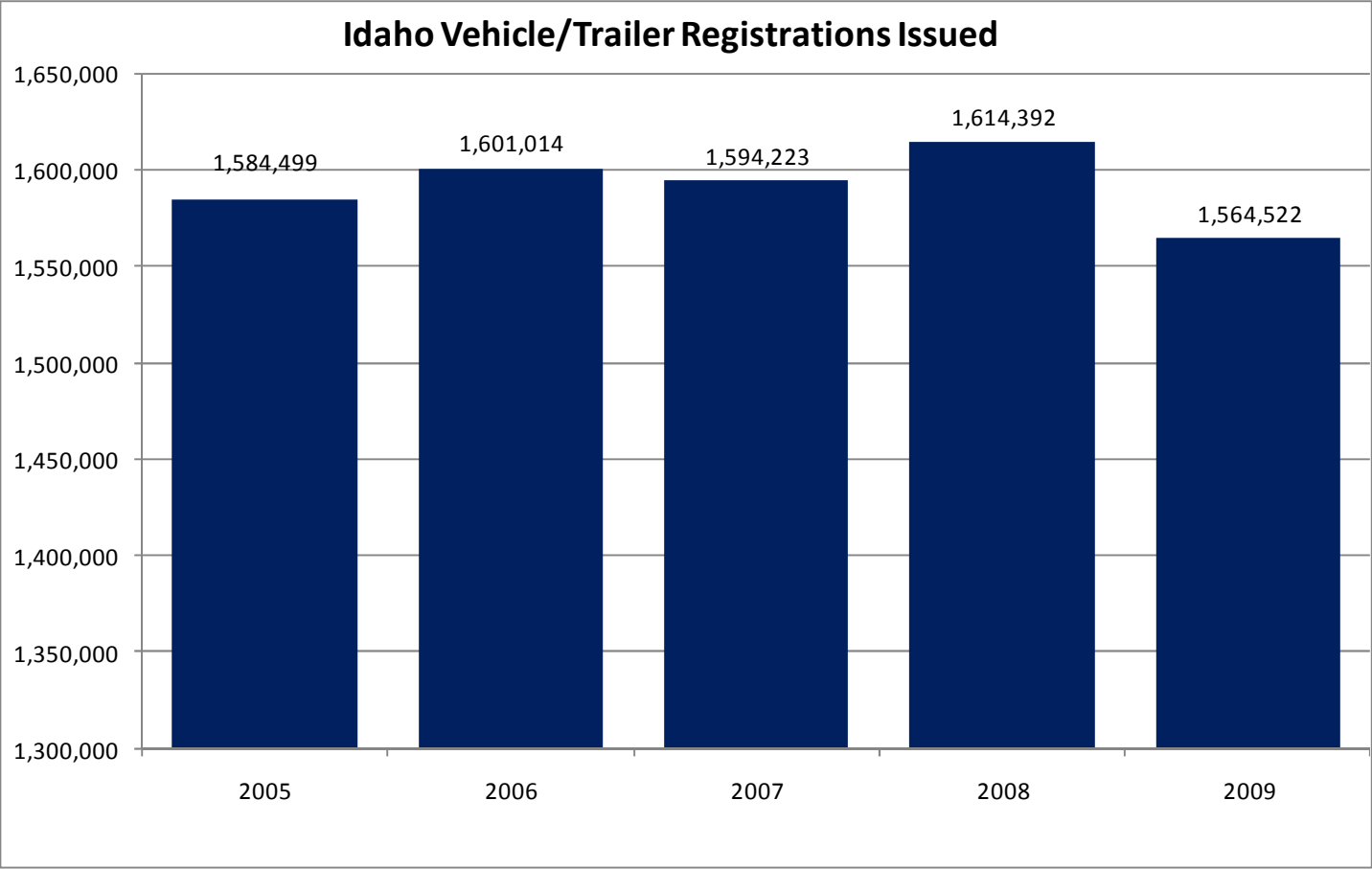
1 state bases the vehicle registration fees on vehicle horsepower.

Contiguous States	Fee Basis	Fee for Typical Vehicle
WYOMING	Flat fee	\$15.00
MONTANA	Weight	\$15.25
NEVADA	Flat fee	\$33.00
UTAH	Flat fee	\$22.50
WASHINGTON	Flat fee	\$43.75
OREGON	Flat fee	\$30.00
IDAHO	Age	\$29.25
		<b>Average: \$26.96</b>

Source: <http://www.fhwa.dot.gov/ohim/hwytaxes/2008/mv103pt1.cfm>

# DMV Statistics: 5 Year Data

The economic downturn as well as the introduction of the 2 year vehicle registration has resulted in fluctuations in the number of vehicles and trailers registered in 2009. The chart below shows five calendar years of data from the DMV on the number of vehicles and trailers registered. Because of these fluctuations the five year average was used to generate the revenue estimates on the next page.



*Source: Idaho Transportation Department; Economic and Research Section, 2005-2009 Vehicle Registration by County  
2011 and 2012 estimates provided by Doug Benzon, Economics & Research Manager, ITD 8/26/2010*

Proposed Fee	Current Count	Fluctuation in Annual Counts	5 Year Average
Increase Vehicle/Trailer Registration Fee	1,564,522 vehicle and trailer registrations	(2005) 1,584,499 (2006) 1,601,014 (2007) 1,594,223 (2008) 1,614,392 (2009) 1,564,522	1,591,730

## Vehicle Registration by Fiscal Year

As seen on the previous page, vehicle registrations are tracked by calendar year; however, for financial forecasting it is necessary to view registrations by fiscal year, as this is how the revenues are collected. The table below shows the actual revenue generated by the \$3 Project CHOICE fee. From this revenue figure the total number of vehicle registrations by fiscal year was extracted. The last two columns in the table show projections of revenue by fiscal year. These figures are very close to the figures generated using calendar year as a basis.

	Actual Revenue From Project CHOICE	Revenue / \$3 Fee = Number of Registrations in FY	Revenue Projection: \$12 Fee Increase	Revenue Projection: \$16 Fee Increase
<b>FY 2008</b>	\$4,544,344	1,514,781	\$18,177,376	\$24,236,501
<b>FY 2009</b>	\$4,780,812	1,593,604	\$19,123,248	\$25,497,664
<b>FY 2010</b>	\$4,575,483	1,525,161	\$18,301,932	\$24,402,576
<b>FY 2011 (6 months)</b>	\$2,270,708	756,903	\$9,082,833	\$12,110,444

## Vehicle Registration Fee

1,564,522 vehicles were registered in Idaho in 2009; however, due to the fluctuation in vehicle registrations, a five year average was used for these estimates. A \$15.71 increase to the vehicle registration fee for motorized vehicles and trailers would create an additional revenue of more than \$25,000,000.

### Current Fees:

Vehicles one (1) and two (2) years old \$48.00, vehicles three (3) and six (6) years old \$36.00, vehicles seven (7) and over eight (8) years old \$24.00, utility trailer \$5.00

	Average Number of Registrations 2005-2009	Estimated ISP Revenue
<b>Total Registrations:</b>	1,591,730	\$25,006,078 annual
<b>Estimated Annual Revenue Generated:\$25,006,078</b>		

*Source: Idaho Transportation Department; Economic and Research Section, 2009 Vehicle Registration by County*

*Trucks include - Trucks, Motor Homes, Commercial Trucks, Non-Commercial Trucks, Buses, Commercial Bus, Non-Commercial Bus and Transient Trucks. Miscellaneous Motor Vehicles includes - Ambulances, Hearses, Wreckers, Cycles, and Cabs.*

# **INSURANCE SURCHARGE**

## Vehicle Insurance Surcharge

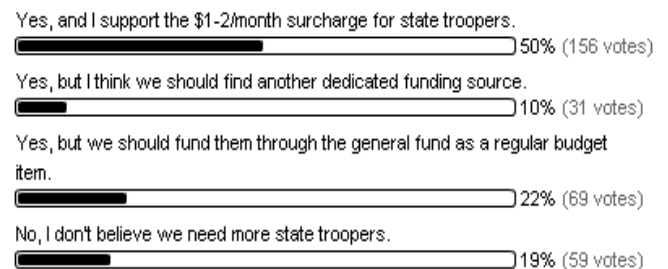
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\*Not all registered vehicles are in compliance with the law and insured. Alternatively, the number of vehicles registered in one year is not representative of the total number of registered vehicles in the state of Idaho as vehicles may register using a multiyear registration.

	Number of Registrations 2009	Estimated ISP Revenue
<b>Total Registrations:</b>	1,564,522	\$2,049,523 month
<b>Estimated Annual Revenue Generated:\$24,594,285</b>		

In 2008 the Oregon State Police made a proposal to the legislature with reference to the same funding source. While this proposal did not pass, an internet poll of 315 citizens showed that the people of Oregon were largely in favor of the plan.

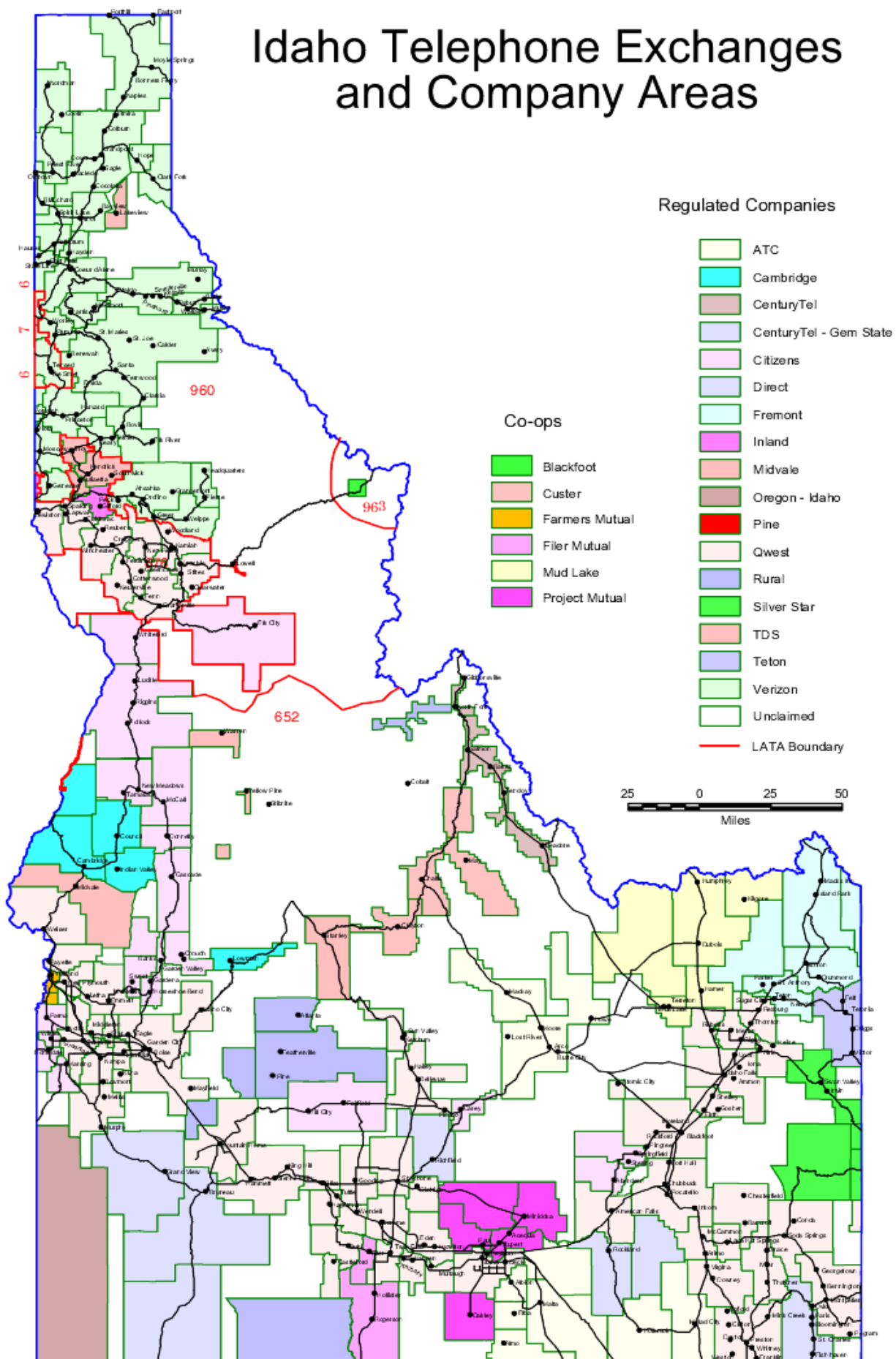
### Do you support the governor's plan to fund 139 more state troopers?



Source: [http://www.blueoregon.com/2007/01/would\\_you\\_pay\\_1.html](http://www.blueoregon.com/2007/01/would_you_pay_1.html)

# **TELEPHONE SURCHARGE**

# Idaho Telephone Exchanges and Company Areas





## Telephone Surcharge

In 2009 the state of Idaho had 1,643,735 in-service telephone lines. An additional monthly surcharge of \$1.27 applied to all eligible\* end user business, residential and wireless access services would generate more than \$25,000,000. While the wireless industry is largely unregulated, the mechanism to implement this surcharge is already in place.

\*This excludes low-income recipients of the Idaho Telephone Service Assistance Program (ITSAP). In 1987 the Idaho Legislature created the Idaho Telephone Service Assistance Program (ITSAP). This program is administered by the Idaho Department of Health and Welfare in conjunction with federal programs. This program adds a \$0.06 monthly surcharge to all eligible telephone lines and provides telephone service discounts to low-income individuals.

	<b>Number of Telephone Lines 2009</b>	<b>Estimated ISP Revenue</b>
Local Access Lines	580,920	\$8,853,220 annual
Wireless Access Lines	1,062,815	\$16,197,300 annual
<b>Total Telephone Lines</b>	<b>1,643,735</b>	
<b>Estimated Annual Revenue Generated: \$25,050,520</b>		

Source: <http://www.puc.idaho.gov/telecom/31040.pdf>